A STUDY OF THE INTENT OF LEGISLATION ON SECOND-CLASS MAIL

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The newspaper is perhaps the oldest subsidy administered by the Government of the United States, although the word itself has always been considered a pejorative one, when used in relation to second class mail. Since the earliest day of the Republic, the men who founded our country and Congress recognized that information and government move hand-in-hand and that a key to unification was the widespread dissemination of information. And those who wrote the Constitution wisely perceived that this diffusion of information should not be through an official system, but rather through the function of a free press. This foresight has been recognized many times in the claim that the genius of the American system arises to some extent from the healthy tension existing between a free press and the men responsible for conducting the people's business.

In looking back to the Constitution and the origin of the second-class subsidy, one should remember that the Founding Fathers created that Constitution following a war against an oppressive government whose authority rested on divine right rather than on a mandate from the people, and that this new government was to operate not only in an 18th Century country that was mainly agricultural, rural, and underpopulated but for a people who, fearing government, wanted government service kept minimal.

One also is reminded that the leaders who worked on the new government were well informed on what had been workable in their old one and that at the close of the Revolution the newspapers enjoyed a considerable prestige, largely because of their united opposition to the Stamp Act, but also because they had worked with political organizations and the Patriot movement during the War.

Government leaders were well aware of this. President Washington, convinced of the value of the press, pleaded with women to save all material that could be turned into paper and later turned worn-out rents over to the papermills for printing paper. He also encouraged the Patriot Press and helped establish the New Jersey Gazette for his Army in the winter of 1777. Thomas Jefferson, in a letter of January 16, 1787, wrote: "Were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate to prefer the latter."

The press also was popular with the people. The level of literacy in the colonies had been moving upward for many decades, as attested by a contributor to Gaine's paper in 1766:

> "Every lover of his country hath long observed with sacred pleasure the rapid progress of knowledge in this once howling wilderness, occasioned by the vast importation of books; the many public and private libraries in all parts of the country; the great taste for reading which prevails among people of every rank." (Gazette and Mercury, June 12, 1766)

This new literacy was also fed by journalism. Although only about 40,000 homes at the outbreak of the Revolution were receiving newspapers, each copy was passed from hand to hand, was read aloud in the coffee-houses and inns, and the articles discussed and thoroughly digested. Ambrose Serle, temporarily in charge of the Royalist press in New York in 1776, wrote home to Lord Dartmouth:

> "One is astonished to see what avidity they (the newspapers) are sought after, and how implicitly they are believed, by the great Bulk of the People....Government may find it expedient, in the Sum of things, to employ this popular Engine."

As the War ended and the people turned to peaceful pursuits, their leaders turned to the task of Government. Most believed that its most urgent task was disseminating knowledge to a diverse and widely-dispersed population; it was a logical step to seize on the Post Office as the means.

THE INTENT OF THE SECOND CLASS SUBSIDY

From the close of the Revolution until the beginning of Postal Reorganization, the affairs of the Post Office as a Department were handled by the House and Senate Committees on the Post Office and Civil Service. As a general rule, public hearings would be held on matters relating to postal rates, pay, and transportation. Legislation would then be presented to the entire Congress for

consensus. The history of rates thus becomes an amalgam of changes in legislation, as shown in the records of Committee hearings and the debates of Congress. These pose no particular problem chronologically and it is easy to find the "what, where, when, and who." The "why" becomes more difficult as the cast of Congress and the Post Office changed periodically with each new Executive, and the intent is often lost in a maze of debate and rhetoric.

In seeking out the "intent" behind the subsidy on second class mail, the record in the earliest years of constitutional government is very clear. From the time of George Washington, at least through the war of 1812 under James Madison, all the Presidents and a large majority of Congressmen expressed themselves unequivocally. They believed that it was important for a democracy, which is a government by the people, to be thoroughly informed on the affairs of government. The only practical means to effect this enlightenment, in that era, was through the device of the Post Office Department, which presented a ready-made transportation system. In the earliest stages, it was easy to tie this need of diffusing knowledge, of disseminating information to the people, to the ordinary communications purpose of a postal system in a new and undeveloped country and to seize on the utility of the Post Office as a transportation vehicle for that diffusion. By

pouring back the revenue gained from delivering letters into the system of post-roads necessary to reach all the people, the circle would be repeated endlessly, as the post-roads, in turn, made transportation easier for the dissemination of knowledge.

Most members of Congress believed political knowledge should be diffused among the people first through newspapers and secondly through the Congressional franking privilege. In reading the debates on the Post Office from 1790 until the 20th Century, most of them focused in some degree on the need for the franking privilege and on reducing postage on printed matter in order to produce a knowledgeable public opinion.

There is also ample evidence, as shown later in this report, that early Postmasters General concurred in both the intent of the subsidy and the immediate means of implementing it through the transmission of newspapers and periodicals in the mails.

This virtual unanimity of important Presidential, Congressional, and postal opinion held relatively constant until the beginning of the 1900's.

Although postal officials were the first to question the low rates on printed material and the franking privilege, until the mid-20th Century they did not seriously attack the need for <u>some</u> subsidy. Their concern lay in the rising postal

deficit and their alarm centered on the fact that the Post Office Department was bearing the financial brunt of this policy of low rates. Despite this alarm and repeated requests for increases in the rates for newspapers and periodicals (and for the repeal of the franking privilege), Congress continued to drop postage rates on reading material.

The Congressional debates occasionally were broken by a dissenting voice calling for higher rates, but by the early 1820's the press had become too powerful and the people too avid for newspapers for any shift on government policy. (In 1794, newspapers were, according to Postmaster General Timothy Pickering, seven/tenths of all mail; in 1832, printed matter was fifteen times greater than letters. In 1801 there were 200 newspapers; in the early 1830's, there were about 1200.)

Although low rates for newspapers and periodicals were applied nationwide, the major interest of Congress was on the "little newspaper" of rural America, and many of the postal laws of the period were passed with the aim of protecting this rural press, which filled their columns with speeches and material gleaned from the tons of Congressional documents that flowed through the mails under the franking privilege. A Senate report of 1832, after noting that the political atmosphere of the city-controlled press was "not always congenial to a spirit of independence"....went on to state that "A concentration of political power in the hands of a

few individuals is of all things most to be dreaded in a republic. It is, of itself, an aristocracy more potent and dangerous than any other; and nothing will tend so effectually to prevent it as the sustaining of the newspaper establishments in the different towns and villages throughout the country." Thus, for well over a hundred years, Congress continued to drop postage rates on reading material. It was not until 1918 that these rates were advanced for the first time since they had been established in 1792. And at this point, for virtually the first time, the debates accompanying the War Revenue Act of 1917 illustrate the depth of the power exerted by the newspaper lobby on Congress. In explaining how the increase had been handled, Representative Garner also pointed up the Congressional fear of the powerful Press:

> "You have been a member of Congress long enough to realize, he said, "that the influence back of second class postage makes it impossible for the House and Senate Post Office Committees to pass any such bill (increasing postage) and therefore the only chance we had was to make it a part of the war revenue bill, which could not be defeated."

Executive alarm began with President Theodore Roosevelt's administration when the national budget began to show signs of imbalance. Despite a small postal surplus in 1911, President Taft, in transmitting to Congress a report of the

1911 Hughes Commission on Second-Class Mail Matter, concurred in the findings of the commission "that the cost of handling and transporting second-class mail was greatly in excess of the postage paid and that an increase in the rate was justified and desirable." President Taft noted that "newspapers and magazines have been potent agencies for the dissemination of public intelligence and have consequently borne a worthy part in the development of the country,....it is likewise true that the original purpose of Congress in providing for them a subvention by way of nominal postal charges in consideration of their value as mediums of public information ought not to prevent an increase because they are now not only educational but highly profitable."

There is no question that the policy of subsidizing second-class mail in order to diffuse knowledge was eminently successful in the early Constitutional period and that it served the democratic process well. Americans in the 19th Century and, perhaps today, are the best-informed people in the world. Also, the establishment of early post-roads and transportation systems by the post office undeniably contributed to the growth of national sentiment and was a factor in holding the Western part of the country during the Civil War. Despite the problems it created for the Postal Service, it also quickened the Department's development of transportation methods and explains, in part, the postal role as a social force of great magnitude.

Had Congress changed or modified its heavy subsidy in the early 20th Century when the postal deficit stood at $17,500,000, however, the subsequent course of postal history in the United States may have been averted.

GENERAL HISTORY OF SECOND-CLASS MAIL

Colonial Period

Prior to the 15th Century throughout the known world, the posts were generally looked on as the means through which officials of a country could transact public business, which more often than not involved military operations. Only gradually did the postal services come to be employed for the convenience of the general public.

In America, before 1692, only the seaport towns such as Boston and New York were engaged in any commerce or trade, and then rarely with each other. American colonies or villages were scattered and independent of each other, and what little business did exist was carried on mostly with the Mother country.

England itself had no general post office until June 9, 1657. In 1691, the Crown awarded Thomas Neale letters patent with authority to "establish within the chief parts of their majesties' colonies and plantations in America an office or offices for the receiving and dispatching of letters and pacquets and to receive, send, and deliver the same under such rates and sums of money as the planters agreed upon."

Neale engaged Andrew Hamilton, a Scotsman who had lived many years in New Jersey and became its governor in 1692, as Postmaster General of America. Hamilton won all twelve colonies to his concept of a postal system and started a postal service in 1693 which he headed until his death in 1703.

Hamilton's service began ninety years before the end of the Revolutionary War and, like the American system it prepared for, was a great unifying force among the twelve colonies. Occurring roughly about the same time as the establishment of printing presses, it provided a common meeting point for the exchange of interests and ideas, as well as a medium for this exchange through the privilege of free mailing to postmasters who either already were printers or would become publishers or editors of newspapers. As the newspapers moved through the mails, they carried information on the progress of neighboring governments, publicized new concepts and enterprises, and intensified trade.

Neale's patent was bought back by the Crown in 1707 from John Hamilton, who had succeeded his father, Andrew, after his death.

In 1730, Alexander Spotswood, the able governor of Virginia, was appointed Postmaster General for the colonies. Spotswood appointed Benjamin F. Franklin postmaster at Philadelphia in 1737 and Franklin, along with William Hunter,

was named Joint Postmaster General for the colonies in 1753. Franklin served as Postmaster General until 1774 when he was dismissed by the British.

When Franklin took over as postmaster at Philadelphia, newspapers were still not admitted generally to the mails, although postmasters continued to distribute their own newspapers free. Franklin's newspaper had been excluded from the mails before his appointment and his Autobiography explains why he delighted in his new appointment.

> "I accepted it readily, and found it of great advantage, for, tho' the salary was small, it facilitated the correspondence that improved my newspaper, increased the number demanded, as well as the advertisements inserted, so that it came to afford me a comfortable income. My old competitor's newspaper declined proportionately."

To Franklin's everlasting credit, in 1758 after he had become Deputy Postmaster General, he opened the mails to all newspapers for a fee based on the distance they were carried in the mails, *and provided for the exchange of papers gratis.

Many of the colonists believed Franklin's dismissal in 1774 was an attempt to cut his growing prominence and power in America by stopping the free passage of his publications. While this may have had some bearing, the dismissal stemmed basically from Franklin's open sympathy with the rebellious colonists, which had led to his distribution of official correspondence to the Crown from a Royalist Governor in the provinces.

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*During Franklin's tenure as Joint Postmaster General for the British, he provided that "Papers exchang'd between Printer and Printer" were to be carried by post riders, but post riders were also permitted to carry newspapers for which they collected subscription fees for the printers and their own postage fee in addition.

Revolutionary War and Continental Congress Period

The mail system continued to operate after Franklin's dismissal, although it was blocked in many areas and subject to increasing harassment and depredations. In the meantime, William Goddard, a newspaper publisher, most of whom were rabid Sons of Liberty and belonged to the Committees of Correspondence, had set up a Constitutional Post for inter-colonial mail services, and when Franklin was named Postmaster General by the Continental Congress on July 26, 1775, he inherited about 30 operating post offices between Portsmouth and Williamsburg. By Christmas Day, 1775, the Royal Post ground to a halt.

During the Revolution, mail and documents were carried steadily, if somewhat erratically, between the Government and the armies. Because of military engagements, financial woes, and non-existent roads and poor facilities, other mail delivery was impossible. Ebenezer Hazard, who was Postmaster General from 1782 to 1789, complained to Congress that lack of funds had forced him to follow the Army on foot because he couldn't afford a horse.

Ordinance of 1782: Postriders Licensed to Carry Newspapers--

In 1782, as the war was ending, the Continental Congress wrote a detailed Postal Ordinance, setting out rules and regulations for operation of the postal service throughout

the thirteen states. By this time, mail matter had expanded unofficially to three kinds: letters charged for by the sheet, packets charged for by the ounce, and the few newspapers carried by postriders as provided by Benjamin Franklin in 1758, a practice which had continued in principle throughout the years when the mails were available. The new Ordinance provided for "letters, packets, or other dispatches" and also for the licensing of postriders to carry newspapers.* The Post Office transferred from the Continental Congress to the Constitutional Government with little trouble, and no new postal law was written until 1792.

Early Constitutional Period

The final draft of the Constitution, as adopted, stipulated that "The Congress shall have power....to establish post offices and post roads...." This power, however, was granted in the same clause and in the same words as was the power to coin money, to regulate commerce, to declare war, etc.

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*Newspapers, in fact, were still carried free of postage after 1782 as Postmaster General Samuel Osgood in a "Plan for Improvement of the Post Office Department" submitted to the Secretary of the Treasury on January 20, 1790, noted that...." Newspapers, which have hitherto passed free of postage, circulate extensively through the Post Offices; one or two cents upon each would probably amount to as much as the expenses of transporting the mail...."

In a Message to Congress in 1822, President Monroe discussed the Constitutional clause relating to the Postal Service in some detail saying among other things:

> "Congress shall have power to establish post-offices and post-roads." What is the just import of these words and the extent of the grant? The word "establish" is the ruling term; "post-offices and post-roads" are the subjects on which it acts. The question therefore is, What power is granted by that word? The sense in which words are commonly used is that in which they are to be understood in all transactions between public bodies and individuals. The intention of the parties is to prevail, and there is no better way of ascertaining it than by giving to the terms used their ordinary import. If we were to ask any number of our most enlightened citizens, who had no connection with public affairs and whose minds were unprejudiced, what was the import of the word "establish" and the extent of the grant which it controls, we do not think there would be any difference of opinion among them. We are satisfied that all of them would answer that a power was thereby given to Congress to fix on the towns, court-houses, and other places throughout our Union at which there should be post-offices, the routes by which the mails should be carried from one post-office to another, so as to diffuse intelligence as extensively and to make the institution as useful as possible, to fix the postage to be paid on every letter and packet thus carried, to support the establishment, and to protect the post-office and mails from robbery by punishing those who should commit the offense.... Whatever is absolutely necessary to the accomplishment of the object of the grant, though not specified, may fairly be considered as included in it....Post-offices were made for the country, and not the country for them. They are the offspring of improvement."

In the meantime as the Government began to work out its problems, the importance of the Post Office was increasingly recognized, and the question of admitting newspapers to the mails was a frequent topic in House and Senate debate and by the top Government.

In a proposed address to Congress, apparently intended as an Inaugural or Annual Address, which is published in his Writings, President George Washington wrote:

> "While the individual States will be occupied in facilitating the means of transportation, by opening canals and improving roads: you will not forget that the purposes of business and Society may be vastly promoted by giving cheapness, dispatch and security to communications through the regular Posts. I need not say how satisfactory it would be, to gratify the useful curiosity of our citizens by the conveyance of News Papers and periodical Publications in the public vehicles without expence (sic)."

In the actual address, Washington apparently explains why this proposed speech was not used:

> "It will be more consistent with ... circumstances and far more congenial with the feelings which actuate me, to substitute, in place of a recommendation of particular measures, the tribute that is due to the talents, the rectitude, and the patriotism which adorn the characters selected to devise and adopt them."

In his Second Address to Congress of December 8, 1790, Washington noted that:

> "The establishment of the Militia; of a mint; of Standards of Weights and Measures; of the Post Office and Post Roads are subjects which (I presume) you will resume, of course, and which are abundantly urged by their own importance."

Again, in his Third Annual Address to Congress on October 25, 1791, Washington addressed the subject of the Post Office:

"The importance of the Post-Office and Post Roads, on a plan sufficiently liberal and comprehensive, as they respect the expedition, safety and facility of communication, is increased by the instrumentality in diffusing a knowledge* of the laws and proceedings of the government; which, while it contributes to the security of the people, serves also to guard them against the effects of misrepresentation and misconception. The establishment of additional cross-posts, especially to some of the important points in the Western and Northern parts of the Union, cannot fail to be of material Utility."

In the Debates that followed this address, Congress held that a policy of affording every possible means for the dissemination of intelligence -- general intelligence but also political intelligence for the education of the people as citizens of the Republic -- was a tremendous experiment in politics, which would demonstrate to the world whether a people had the genius to govern themselves, whether a democracy and the Republic were abstract political ideas or actual living things. By neglecting no means of strengthening the foundation of this Republic, they must seriously consider providing effective means for the enlightenment of the sovereign people on all matters pertaining to the executive Government and the Legislature. (Subsequently, Congress voted itself extensive powers to frank both letters and newspapers.)

*(This phrase, the "diffusing of knowledge," which is still used interchangeably with "dissemination of information," developed into an important rallying call by legislators for low newspaper and periodical rates.)

On rates, Congressional opinion divided: some members thought the gross revenue of the Post Office would increase and bring a net revenue for the Treasury as in England and most European countries, while others noted that America's "great extent and uncultivated state as well as ... a thousand other causes" would make a great difference.

After the passage of the Act of February 20, 1792, which fixed rates on letters, packets and newspapers for the first time under the Constitution, Washington again called attention to his concern with moving newspapers in the mail. In his Fourth Annual Address to Congress on November 6, 1792, he said:

> "It is represented that some provisions in the law, which establishes the Post Office, operate, in experiment, against the transmission of newspapers to distant parts of the Country. Should this, upon due inquiry, be found to be the case, a full conviction of the importance of facilitating the circulation of political intelligence and information, will, I doubt not, lead to the application of a remedy."

In replying to this Message of 1792, the House of Representatives agreed that:

> "The operation of the law establishing the Post Office as it relates to the transmission of newspapers will merit our particular inquiry and attention. The circulation of political intelligence thru these vehicles is justly reckoned among the surest means of preventing the degeneracy of a free government, as well as of recommending every salutary public measure to the confidence and cooperation of all virtuous citizens."

And again:

> "The establishment of the post office is agreed to be for no other purpose than the conveyance of information into every part of the Union."

Still later that same year, Congress maintained that:

> "Information conveyed by newspapers sent by members of the House had proved highly servicable to the Government; that wherever the newspapers had extended, or even the correspondence of the members, no opposition had been made to the laws; and that the contrary was experienced in those parts to which information had not penetrated, and even there the opposition ceased as soon as the principles on which the laws had been passed were made known to the people."

Perhaps the clearest expression of Washington's thinking on the carriage of newspapers in the mail came in November 1793, more than a year after rates had been fixed by the Congress, when he wrote in a "Memorandum of Matters to be Communicated to Congress"..."Might it not be expedient to take off the tax upon the Transportation of News Papers & ca.?"

Although President Washington failed to use "newspapers" per se, in delivering his Fifth Annual Address in December of that same year, he did ask that the tax on the transportation of public prints be repealed, as follows:

> "I cannot forebear to recommend a repeal of the tax on the transportation of public prints. There is no resource so firm for the Government of the United States, as the affections of the people guided by an enlightened policy; and to this primary good, nothing can conduce more, than a faithful representation of public proceedings, diffused, without restraint, throughout the United States."

In his use of "public prints," the President could not have been referring to the Debates and Proceedings of Congress which, if available, would have been sent under Congressional frank as Congress and Government officials were already using the franking privilege extended them by the Ordinance of 1782 and the Act of 1792. As a matter of record, any reports of these public proceedings would probably have been made in newspapers as the National Intelligence was not established until October 1800. In examining the use of the word "tax," Washington here clearly anticipates the basis of later descriptions of postage on newspapers and periodicals by the Congress and publishers as a "tax" on the consumer.

It might also be appropriate to note that the Constitutions of nine states -- excluding Rhode Island, Connecticut, New York and New Jersey -- guaranteed their citizens freedom of the press. Ths omission of a like provision in the Constitution presented to the States caused extended debate and some conditioned their acceptance on the provision that this defect would be corrected. Hamilton, who defended the omission, argued:

> "What signifies a declaration that "the Liberty of the Press shall be inviolably preserved"? What is the Liberty of the Press? Who can give it any definition which does not leave the utmost latitude for evasion? I hold it to be impracticable; and from this I infer, that its security, whatever fine declarations may be inserted in any Constitution respecting it, must altogether depend on public opinion and on the general spirit of the people and of the Government." (The Federalist, LXXXIV.)

Nevertheless, Congress in its first amendment to the Constitution provided that:

> "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

The terms "free press" and "freedom of speech" were clearly understood then, as meaning, "free movement" or "untaxed", the latter in the sense of the special tax on stamped paper for printing legal documents, official paper, books and newspapers imposed by the Crown under the Stamp Act leading to the rebellion. As noted earlier, however, in many of the years of the last two centuries, proposed rates on second class mail have been described by Congress and publishers alike as a "tax" on the consumer whose subscription fee includes the cost of postage, particularly in the debates of 1832 and 1917, as shown later.

(Noting that such defenses of the newspaper subsidies were a distortion, one Los Angeles editor in 1973 (KNBC-TV) said that "freedom of speech" is an opportunity to speak, not a guarantee of a cheap audience.)

Act of 1792 Fixing Rates and Providing for Free Exchanges of Newspapers

Although newspapers were being carried by postriders after 1782, the Act of February 20, 1792, 1 Stat. 232, effective from June 1, 1792, was the first, after the adoption of the Constitution of the United States, to fix rates of postage on newspapers. It began with a dictum on the need for diffusion of knowledge:

> "Whereas the communication of intelligence with regularity and despatch, from one part to another of these United States, is essentially requisite to the safety as well as the commercial interest thereof; and the U. S. in Congress assembled, being, by the articles of confederation, vested with the sole and exclusive right and power of establishing and regulating post offices throughout all these United States; and whereas it is become necessary to revise the several regulations heretofore made relating to the post office and reduce them to one act...."

Newspapers carried less than 100 miles were to be charged 1 cent and those conveyed over 100 miles, 1-1/2 cents. In what was to become a vital feature for journalism, the Act also provided for free exchanges of newspapers between publishers. These free exchanges were to the newspapers of that day what the various news services are to the press today. It is questionable whether the early newspapers, especially in the frontier, could have existed without them. The rates fixed by the Act of 1792 on letters continued for approximately

thirty years, excepting only some slight modifications in 1799 and 1816 as well as a one-year increase of 50% at the time of the war of 1812-14 with Great Britain. Rates on magazines and pamphlets were provided in 1794 at 1 cent per sheet under 50 miles, 1-1/2 cents over 50 and under 100 miles and 2 cents for any greater distance. The newspaper rate within the states was dropped to 1 cent in this Act.

An abstract of postal rates between 1782 and 1955 is attached for ready reference, as is the history of rates between 1952 and 1975.

Government Interest in the West

Immediately following the war, any area beyond the Alleghenies was loosely referred to as the "West" or "interior." These terms included Western Pennsylvania which boasted a number of settlements at the close of the revolution, as well as Kentucky and Tennessee which were admitted to the Union in 1792 and 1796 respectively. Ohio did not become a state until 1803. West of the Allegheny Mountains, where thousands of people were far removed from customary routes of trade and travel, there were no post riders to carry newspapers until about 1800. After that year, Congress authorized and extended enough post roads roughly to keep pace with the extension of the frontier.

As people began to intensify their movement toward the frontier, American leaders insisted that these pioneers be supplied with information on their Government and also be able to keep in touch with their families "back home." This close attention to the needs of the interior was shared by early Postmasters General.

Samuel Osgood, the first Postmaster General under the Constitution, favored a reduction in the rates of postage "to facilitate correspondence between the extremes and the National Capitol." Although not wholly weaned from his belief that the post office should yield a surplus for the Treasury, Osgood practically could only conclude that the accommodation of 3,000,000 citizens over a large territory meant giving up revenue.

Osgood's successor, Postmaster General Timothy Pickering, urged all measures possible be taken to promote the circulation of "useful information concerning the great interests of the Union." And later he wrote:

> "Our fellow citizens in the remote parts of the Union seem entitled to some indulgence. Their great distance from the seats of government and principal commercial towns subject them to peculiar difficulties in their correspondence.
>
> They have also few or no printing presses among them. Hence without the aid of public post roads they will not only be embarrassed in their correspondence, but remain destitute of every necessary information."

Postmaster General Joseph Habersham in 1796 noted that:

> "The unproductive routes in distant parts of the Union are not noticed, as those who are remotely situated appear to have a just claim to that liberal establishment of post roads which has been extended in every direction through this great and flourishing country. It has been a wise policy to open the useful source of information to the settlers of a new country, and the expense will not be considered where the object is so important."

The debates of this period and discussions on franking show that along with the need to bring news of government and family to the interior, members of the Congress ardently desired to develop a "local" press, in the belief that these newspapers would be "less affected by political error" than papers of the larger cities in the East and would exert a patriotic, nationalizing influence.

As the interior developed, newspapers sprang into existence everywhere the posts went. Wayne Fuller, in The American Mail, notes that:

> "When the mails were late, editors filled their papers with extraneous news from someone's letter or more often used the franked material coming to them in great quantity from their senators and congressmen. In the small newspaper offices throughout America, speeches and reports from Congress became a kind of library and the smaller newspapers were the special pets of Congress who fostered them and made them competitive with city newspapers..."

Free Exchanges

Nowhere in the Union were the benefits from free exchanges greater than in the interior states and territories. By 1822, some editors allegedly were exchanging as many as 300 to 500 newspapers. When Postmaster General Meigs proposed that these free exchanges be subjected to postage, a tremendous outcry emanated from the country's editors, who declared that half the newspapers in the country would be silenced by such a measure. They also denounced a later proposal to reduce free exchanges to 50 for each editor as "absurd and preposterous,".... a "direct blow at the strongest bulwark of free government."

Congress refused to act. This was perhaps understandable as the press of that period was more politically oriented than it is today. Virtually every newspaper, particularly in the interior, was passionately partisan and disparaging of its opposition, and members of Congress lived in fear of attack and ridicule in print. (See Congressional quotes on War Revenue Act of 1917, later.)

For the Post Office, the exchanges helped spiral an already heavy transportation burden. As Eastern papers flowed in increasing numbers westward, newspapers often had to be left behind and Western editors demanded stage carriage to accommodate all the papers plus improved highways to accommodate the stages. The loudest critics of the mail service were the newspaper

editors, and the Post Office's sensitivity to this power of the Press is reflected in a postal officials's instructions to a mail contractor in 1832 not to leave behind any newspapers. "If a newspaper to an editor should be detained," the official warned, "it would make more noise than to leave a hundred letters on commercial business."

Congressional Proposal to Abolish Postage on Newspapers

By 1832, the mailstream was swollen with roughly 1200 newspapers, most of them "local" and dependent on the nation's 8,401 post offices and 115,000 miles of post roads. That year, Congress tacked on an amendment to a bill for post roads a proposal to abolish postage on newspapers altogether. Senator Bibb sponsored the amendment, which read "That, from and after the 1st day of July next, no postage shall be charged on newspapers, and so much of any act or acts of the Congress of the United States as imposed a tax of postage on newspapers shall be, (underlining added) and the same is hereby, repealed from and after the day aforesaid." In support of his amendment, Senator Bibb noted that he wanted the post office to sustain itself but believed its accommodations to the public "being carried to a liberal extent, should bear as lightly in the shape of a tax as the nature of the case would admit." He felt the amendment would do more good and diffuse more valuable information over the United States to a greater extent than any proposition that had every been laid before Congress,

respecting this department of the Government." If it were true that the foundations of the Government rested on public opinion, then the vital principles of the Government were materially concerned in the success of the proposition which looked to the dissemination of correct information in so cheap a form as to bring it within the reach of every individual in the community." Having been informed that the cost of postage on a daily newspaper amounted to $5 per annum," adding this to the price of the paper diminished the circulation to a very great extent."

During extended debate especially by Senators Bibb, Grundy, Holmes and Clayton, Senator Holmes referred to postage on newspapers as a "tax that was not uniform, inasmuch as city people paid only cost of the newspaper, whereas those needing the information most, in rural areas, paid both the cost and the newspaper postage." The amendment was, however, dropped and a bill was subsequently introduced to repeal postage on newspapers. This was referred to the Post Office Committee which reported against it, recommending indefinite postponement, and this was agreed to. A letter from Postmaster General W. T. Barry of January 13, 1832, was incorporated as part of the negative report. Mr. Barry wrote, in part:

> "Newspapers and periodicals are held to be of inestimable value to the community, though it has not yet been considered the duty of the Government to distribute them through the nation entirely at the public expense. The freedom of the press, guaranteed by the constitution, and the small share of postage with which these

> publications are charged, compared with the whole expense of their transportation, demonstrate the estimation in which they are held. If they shall be transmitted entirely free of postage, and an equivalent amount appropriated from the treasury, their transmission will be at the expense of the Government; or, if the Department shall still depend upon its own resources alone, then their transmission will be at the expense of those who pay the revenue in postages on letters...."

In the first years of legislation when the newspaper policy was established, members of Congress and Post Office officials fully expected letter postage to keep the post office self-sustaining. They could not have foreseen the great proliferation of newspapers and periodicals that would result from this policy nor how quickly the postal costs of transportation would outstrip the revenues of letter mail.

Postal officials became aware of this problem sooner than Congress. It was their duty to balance the postal books, and it was increasingly apparent that they could not do this because of the increasing burden of costs imposed on transportation by the newspapers and periodicals.

As early as 1803, Postmaster General Granger referred to the "constantly increasing and enormous size of many of the mails on the great post roads owing to an extended and extending circulation of newspapers."

Express Mail in 1836

In 1836, at the request of Postmaster General Amos Kendall, Congress authorized an "express service to reduce the volume of free exchange matter as well as to expedite news to distant points." Under Express Mail, newspaper slips were shipped instead of exchanges; this express service also carried stock quotations, ship news, letters at triple rates of postage, and public dispatches. They moved on horseback night and day, in the manner of the later Pony Express. The service was installed in St. Louis, New Orleans, and Nashville during 1836 and 1837 and this constituted the last notable change in the postal service to the interior until the railroad.

Periodical Growth

Meanwhile, under lower rates fixed in 1825 for periodicals, this mail grew rapidly from fewer than 100 in 1825 to around 600 in 1850. Sizes ranged from the North American Review, which weighed a pound and cost 25¢, to the 3/4 ounce Missionary Advocate which cost 5¢. After a new type of publication, one having the format of a newspaper but containing reprints of complete novels--found its way into the mails, Postmaster General Wickliffe complained bitterly, noting that the cost of carrying one of these hugh gazette-newspapers from New York to Louisville was only 1 and 1/2 cents whereas a letter the same distance cost 25¢. He asked for rates that would discriminate between bona-fide newspapers and the mammoth periodicals. In 1845, Congress complied, and the cheap reprint business was ended.

In 1852, Congress drastically reduced newspaper postage by providing that it could be sent at half-rate if the postage were prepaid. At the same time, it lowered the magazine rate to that for newspapers. The mails were subjected to a new rush of newspapers, circulars, and advertisements, books, newspapers, periodicals, government documents and the free Congressional Globe.

The Act of 1863 -- Classification of Mail into Three Classes

Compounding the problems of handling, after the passage of new laws in 1851 and 1852, the Post Office had to discriminate among 300 different rates of postage for various mail. To remedy the resulting nightmare for postmasters, Congress in 1863 enacted legislation for prepayment of postage on newspapers and periodicals at either the mailing or delivery office, and for the first time grouped mail into three classes.

Prior to 1863, specific rates had been established for various kinds of mail matter, but there was no classification of matter within specific classes. In 1863, letters became first class; newspapers, periodicals, magazines, pamphlets, and book-length manuscripts mailed between author and publisher became second class, which was defined as publications issued at stated periods from a known office of publication and sent to a bona fide subscriber. All other printed material, except franked items, was placed in a third class at higher rates.

Again Congress favored newspapers and periodicals in the new law. Although rates of postage were graduated upward according to frequency of publication, the average cost was about a half-cent per copy.

After 1868, weekly newspapers and other periodical publications were carried free-in-county where published.

Franking Privilege

The new law apparently was not wholly effective. President Grant's Postmaster General, John A. Creswell, in 1869 lamented the Department's failure to collect postage due on second-class matter and railed at businessmen who filled mail with specimen newspapers and advertisements dressed up like newspapers. He also vigorously attacked the franking system which, he said, "reduces the Department to a state of hopeless dependence and destroys to a great extent its usefulness." The Washington Post Office in 20 days in January 1869 received and mailed more than 32,000 pieces of franked letters and 200,000 plus pounds of documents. Although Congress appropriated $700,000 for this purpose, the cost of these franked material (projected to weigh 4,000,000 pounds a year) came closer to $5,000,000.

In 1873, Congress wiped out the franking privilege for Congress and Postmasters. In 1875 it restored the right of the Commissioner of Agriculture to send reports and seeds under

the frank. Then between 1877 and 1879, it acted to restore the right to frank all government documents, including the Congressional Record and in 1895 restored Congress's right to frank and send letters weighing no more than an ounce through the mails free.

One of the more troublesome aspects of second class mail for the Post Office was that newspaper and periodical postage could be collected either at the mailing or delivery post office until 1874. It is not surprising that this duty usually devolved on the delivery post office, as publishers would have had to pay if the costs has been collected at the mailing point. Unfortunately, postmasters were lax in collecting postage (then 5 cents per quarter from the subscribers to weekly newspapers, for example), and when they did collect there was some question whether they accounted for all the monies they received. One estimate was that the Post Office failed to receive 2/3 of the newspaper postage due it; another estimate, admittedly without sufficient data, was that 40 percent of all newspapers and periodicals (exclusive of free in county) did not pay before 1874.

Before Postmaster General Creswell left office in 1874, a series of laws had been designed to collect postage on second class mail, culminating in that Act of 1874 whereby postage on second class mail was required to be paid in advance by the mailer. In order to mollify the publishers for this,

postage rates on second class mail were dropped once again, by providing new rates of 2 cents per pound for newspapers and 3 cents a pound for magazines instead of the old per copy rates.

The Act of 1879

Under this law, publishers were forced to register newspapers and magazines with their local postmasters, who decreed what mail could receive the reduced rate. Newspaper and magazine mail was defined more strictly and magazines were accorded the same rates and privileges enjoyed by newspapers. Free-in-county, formerly restricted to weekly newspapers, was extended to all of second class.

To obtain these rates, however, the publication had to withstand a number of tests: It had to be issued at stated intervals (four times a year at least); from a known office of publication and from a legitimate subscription list. It could carry no bindings of board or cloth and had to be issued for dissemination of a public character or be devoted to literature, the sciences, arts, or some special industry. The law also permitted publishers to mail both daily and weekly newspapers throughout the county of publication free of postage and to send sample copies of their publication to those not on their subscription lists at the second-class rate.

This Act of March 3, 1879, also provided for four classes of mail matter, defining first class as written and sealed matter, second class mail as printed publications, third class as miscellaneous printed matter, and fourth class as merchandise, classifications that have sustained only minor changes to the present.

In defense of the low rates set for second class mail in 1879, it must be remembered that economic and social conditions then differed widely from those of today. Generally, publications were fewer in number and smaller in size; they not only contained a lesser amount of advertising but as a rule devoted much of their content to matters of public interest, including educational and instructive material.

Moreover, in this period following the Civil War, Congress was acting under the need for sound reconstruction. Traveling was still difficult and the country lacked adequate communication facilities, including printing presses to meet the essential needs of those in outlying, sparsely-developed areas such as the West. They also had in mind the millions of new immigrants streaming into America and the need to weld all the disparate population elements into a national entity.

A century later, these conditions are changed. The frontiers without access to printing presses or newspapers have vanished. Magazines and periodicals can be obtained readily by anyone. Immigration problems are virtually nonexistent

through absorption. The railroads, the automobile, the telephone, the telegraph, the radio, television and jet planes reach even the remotest of sections. More importantly, the publishing business is no longer in its infancy; it is now an enormous business, conducted for profit, particularly with regard to the larger magazines and periodicals and the larger newspapers.

On the other hand, the Act of 1879 was literally a publisher's law. It is no wonder that publishers refer to it as the "organic" or basic second class law. In submitting the bill to the House, Alfred Waddell of North Carolina, Chairman of the House Post Office Committee, explained how the law originated:

> "More than a year ago, appreciating the necessity for a change in the law, I visited the city of New York and invited the leading publishers of quarterly, monthly, daily and weekly publications of all kinds to meet me in consultation at the office of the Postmaster of New York. The conference was succeeded by a number of conferences--of leading publishers of the country, the outcome of which is contained in the provisions of the bill I now submit to the House."

This incredible action of allowing publishers to write the postal law that regulated their product seemingly was sanctioned by Postmaster General McK Key. On March 7, 1878, before the Senate Committee on Post-offices and Post-Roads on the bill (S. No. 539), A. H. Bissell of the Post Office Department noted that the above bill had been in preparation five months, had been drafted by him, and had been presented by Congressman Money in the House where it had undergone many changes.

Mr. Bissell also told the Committee that, by the wish of the Department, he had consulted publishers and held conferences with them in Boston, New York, Philadelphia, and other places as well as with leading postmasters. The 1879 bill was the result of all these conferences.

The bill asked no change in rates with one exception. It proposed upon all registered publications of the second class a uniform rate of two cents per pound or fraction thereof, instead of a "discriminating" rate of two and three cents.

In discussing the proposed changes in administering the law, Mr. Bissell was engaged by Senator Kirkwood as follows:

> Senator Kirkwood. Then, if I understand it, the Post Office Department runs in this way substantially: that the business of the country, letters and business publications, advertisements, and all that kind of thing, must pay their way and possibly a revenue to the government besides, but the periodical newspapers and monthly publications shall be carried at a loss, if need be, to the government?
>
> Mr. Bissell. That is it, to a certain degree.
>
> Senator Kirkwood. That is the theory, that the business of the country, that which makes money to the whole country, shall be taxed beyond its legitimate expense, and that newspapers and periodicals shall be fostered by being carried at less than it cost to carry them; that is the theory?
>
> Mr. Bissell. That is not so much the theory of the department as the theory of Congress, as shown by a series of legislative acts, especially the act of July 12, 1876, by which the discrimination is made against purely advertising sheets and in favor of legitimate periodicals and newspapers. I take the ground that there are two kinds of

> privileged matter in the mails: that which yields a revenue, which are letters, and second, the public prints of the country. (Underlining added) These I recognize as natural mail matter, whether they yield revenue or not; and I believe they should be carried with as few restrictions as possible. If there be a loss on their carriage, the general tax is legitimate and will be paid cheerfully by the public as large. But it seems to me unphilosophical and unfair to insist upon the public paying a tax in support of private business of individuals or companies. That is my view of it. All that matter should pay its way in the mails.

In 1882, however, after a House-passed resolution of 1881 asked for the Postmaster General's opinion on the advisability of abolishing postage for second class mail altogether. Postmaster General Timothy Howe said it would be a good idea. "Of course," he added, "it will add somewhat to the cost of the service, and it will diminish the revenues nearly one and a half million of dollars." He went on to note that although the total postal deficit for 1880 was $2.5 million, this discouragement might be overlooked because "there seems to be conflict of opinion as to whether the postal service should be administered as a business or as a beneficence."

The House and Senate passed two further resolutions in 1882 and 1884 to look into the possibility of abolishing newspapers and periodical postage, but after serious consideration Congress refused to go that far, contenting itself in 1885 with reducing second-class postage to one cent a pound. The Report of the House explained that cheap circulation of the press

would bring wider dissemination of knowledge. Another reason may be seen clearly, however, in the further statement in the Report which notes that the 1874 act, requiring prepayment of postage on second-class mail, had "shifted the tax from those who received the newspapers to the publishers" and the publishers had not been able to raise their subscription prices to meet this added expense.

Post Office Registers Alarm on Deficit

After 1887, the Post Office objected frequently to the abuses of the second-class privilege. The ARPG* of 1905 states the Post Office thinking at that time:

> "The classification of mail matter was, by force of circumstances, indifferently handled at the Department. There was lack of sufficient force with the training and experience required. The result was that vast quantities of the matter came to be admitted to the mails as of the second class, which had no legal right to that privilege.... The statute in relation to this class of matter is inherently wrong....What a complex question this law makes of the mere matter of postage rates, and what a number of collateral questions must be decided before a decision can be given on a publisher's application for the privilege."
>
> "Before a publication can be admitted to the second class, it must:
>
> 1. Be judged to be a newspaper or periodical.
> 2. Be published regularly at stated intervals.
> 3. Bear a date of issue.
> 4. Be numbered consecutively.
> 5. Be issued from a known office of publication.
> 6. Be formed of printed paper sheets, without board cloth, leather or other substantial binding.
> 7. Have a legitimate list of subscribers.
> 8. Be published for the dissemination of information of a public character or be devoted to literature, the sciences or some special industry."

*Annual Report of the Postmaster General

Even earlier, by 1901, the size of the postal deficit impelled President Theodore Roosevelt to direct congressional attention to the second-class mail privilege, noting that it composed three-fifths of the weight but paid only about $4 million of the more than $111 million it cost to operate the postal service.

In his Annual Report for 1901, Postmaster General Charles Emory Smith wrote a lengthy criticism of the second class mail situation. In 1906, Congress established a Joint Commission to study second class mail, (referred to as the "Penrose-Overstreet Commission") and Third Assistant Postmaster General Edwin C. Madden reported extensively on "Second Class Mail Abuses and Deficits" in the 1906 Annual Report, see attached. The report of the Joint Commission of 1906 was inconclusive, mainly because it was unable to obtain postal statistics on the cost of mail matter by each class. The Commission recommended the Post Office make an analysis of operating expenses in order to apportion costs by class. A second Joint Commission (again headed by Congressman Overstreet and Senator Penrose) was authorized in 1907 "to make an investigation into the business system of the Post Office...." but there was no practical result.

In the Annual Reports of 1909 and 1910, Postmaster General Frank Hitchcock called attention to the enormous loss the Government sustained in handling and transporting second class mail. He recommended higher rates on advertising matter, noting

"that if the magazines could be required to pay what it costs the Government to carry their advertising papers, the Department's revenues would eventually grow large enough to warrant one-cent postage on first class mail."

In 1909, President William Howard Taft attacked second class rates in his Annual Message to Congress, saying:

> "It would seem wise to reduce the loss upon second-class mail matter, at least to the extent of preventing a deficit in the total operations of the Post Office.
>
> I commend the whole subject to Congress, not unmindful of the spread of intelligence which a low charge for carrying newspapers and periodicals assists. I very much doubt, however, the wisdom of a policy which constitutes so large a subsidy and requires additional taxation to meet it."

The postal deficit in that year stood at $17,500,000 and a national Treasury deficit was imminent. President Taft sent word to all departments to cut to the quick at the same time he was directing attention to the fact that the Government was losing $63,000,000 a year on second class mail.

By 1910, the total weight of second-class mail was 817,772,900 pounds compared with 61,822,629 pounds sent in 1880, the year after establishment of the bulk instead of per copy rates for this category of mail. In all these years, the Post Office had shown a surplus of revenue over expenditure only in 1882 and 1883, and considerable abuses of second-class had grown up.

As the deficit years piled up, Postmaster General Wanamaker in 1889 and 1892 pointed out the defects in the laws governing second-class mail, and his successors -- Postmaster Generals Bissell in 1894, Wilson in 1896, Gary in 1897, Smith in 1899 and 1901, and Cortelyou in 1905 -- continued to plead for a change in the statutes relating to this class of mail.

In 1911, Congress created the Hughes Commission on Second Class Mail Matter, composed of a Judge, a businessman and the President of a university. In transmitting the Commission's report to the Congress (recommending an increase from one to two cents a pound for second-class matter) President Taft expressed his view that the original purpose of Congress in granting nominal postal rates to newspapers and magazines because of their value as mediums of public information had been fulfilled. They had borne a worthy part in the development of the country, but this should not prevent an increase in rates since magazines and newspapers had become highly profitable as well as educational.

Taft was the first President to make a direct assault on the nation's publishers, and some members of Congress and a preponderance of publishers believed this drive to increase postage was politically, not financially, motivated and that the President was attacking the periodicals because they had not supported his administration. Newspaper editors, relieved their product was being spared the increase in rates, sided with the President and his Postmaster General Frank H. Hitchcock, and chided the magazines in print for their exposes of others when they themselves were standing at the public trough. In 1911, the Boston Herald editorialized that:

> "The magazines have been having a glorious time in the past decade...spared neither age nor sect; they have been shriekingly virtuous and passionately denunciatory; they have unveiled graft; they have impugned motives; they have lambased leaders and derided dynasties; and they have set up a spartan standard of honesty and a heroic code of patriotic ethics...Now the shoe is on the other foot; and the common man is grinning at the preachers, patriots, and purists who appear to be much the same predatory patriots the 'interests' and the 'trusts' were alleged to be...The magazines are getting for a penny something that costs the Government 9 pennies."

The Annual Reports of Postmaster General Albert S. Burleson for 1913 to 1916 refer to the need to take steps toward requiring those using the second class privilege to pay a fair part of the cost.

Despite these arguments of the Postmaster General and the President, Congress refused to raise rates.

Finally, in 1918, postal rates on second-class mail were tied to the War Revenue Act of 1917 and postal rates were advanced, the first real raise on printed material since rates were first established in the 1790's.

It was during the debates on this bill that members of Congress brought their fear of and resentment toward the Press into public focus:

Representative William Cox of Indiana turned to poetry to express his glee over the proposed increase in second class rates:

> "I feel like quoting the old familiar hymn:
> This is the day I long have sought
> and mourned because I found it not.
> I have been a member of the Post Office Committee for eight years....Almost from the moment I became a member of that Committee the question of second-class postage has been a burning issue.... Every member of this House who had ever looked into the second-class postage question knew that the rate ought to be increased, but that we did not have the nerve to go up against it....I undertake to say that we have worse than squandered $500,000 in investigating the question of second-class postage in the last 20 years....I have attended these hearings in my Committee until I finally announced three years ago that never again would I sit in another Post Office Committee room and hear evidence upon this question of second-class mail matter because we did not have the nerve to report the thing out."

Senator John Williams of Mississippi addressed himself more soberly, but just as candidly, to the publishers:

> "I know it is quite natural for us to be afraid of these papers. I am afraid of them myself. God knows if they told the truth about me I would have an awful time. But I am not going to act like a coward on this floor and let them scare me....Now let me tell these gentlemen (the publishers), if they do not quit obstructing every possible effort that has been made for them to pay their just and fair share of taxes, they will meet with ruin sure enough; we may conclude to raise second-class postage to its right rate, and when we do that at least half of them will go out of business."

In subsequent years, publishers argued that the new rates were the only war "tax" that had not repealed, and the pressures they brought to bear on Congress are outlined by Congressman John Hill of Maryland:

> "The publishers first proposed an investigation of the cost of the different classes of mail, but they wanted to reduce postage first, and then investigate. Congress then proposed to carry on an inquiry by the Department and the Joint Postal Commission and revise rates after the inquiry, but this the publishers have strenuously opposed....Some of the organs of the publishers have attacked the Joint Commission most bitterly and unfairly for no other conceivable reason than that they probably might aid in making public the truth in regard to this matter....Second class publishers are subject to criticism because they are seeking to influence public opinion and Congress by false pretenses. They are not now, and never have been, subjected to 'war taxes.'"

In 1923 Congress finally acted on criticism of the Post Office in Commission reports for its inability to assign costs for carrying different classes of mail and provided for cost ascertainment.

For well over a hundred years Congress, with the support of at least early Postmasters General, had dropped rather than increased rates on postage for reading material despite the mammoth transportation and administrative problems this posed for the Post Office, to say nothing of a rising postal

deficit. In carrying out its off-announced intent of diffusing knowledge to the people, it was an eminently successful policy. Whatever the cost to the Post Office, this policy of Congress served the democratic process magnificently. Americans from the 18th Century on were perhaps the best-informed people in the world.

As early as 1793, in "The American Minerva," Noah Webster wrote:

> "Most of the Citizens of America are not only acquainted with letters and able to read their native language; but they have a strong inclination to acquire, and property to purchase, the means of knowledge. Of all these means of knowledge, Newspapers are the most eagerly sought after, and the most generally diffused. In no other country on earth, not even in Great-Britain, are Newspapers so generally circulated among the body of the people, as in America."

de Tocqueville in 1835 said:

> "The American press is the power which impels the circulation of political life through all the districts of the vast territory. The power of the periodical press is second only to that of the people."

Alexander MacKay, an Englishman traveling in America in 1840, noted:

> "With us, it is chiefly the inhabitants of the towns that read the journals; in America the vast body of the rural population peruse them with the same avidity and universality as do their brethren in the towns."

New York Postmaster T. L. James summarized in the 1880's how this had been accomplished:

> "The constant tendency of our postal system has been toward the extension of the privileges of the mails in every branch of correspondence and every form of literary product. Its facilities first made possible the cheap publication of newspapers and later on standard works of literature by placing upon all periodical popular reading matter the lowest rates of postage ever known in a civilized land. In no other country have the masses ever before enjoyed such an inestimable intellectual privilege and no money expended by the Government in any of its multiform agencies has ever conferred such enormous advantages."

Although changes in classification and rates for second class mail had always been attended with debate and disputation as to what matter should be entitled to preferential second-class rates and how preferential the rates should be, this problem was accentuated after 1918 by the special rate concessions given to publications issued by certain nonprofit organizations.

After World War II, as the postal deficit climbed precipitately, Postmasters General began to refer to a balanced postal budget as their administration goal. Congress continued to stall on raising rates, however; many Congressmen apparently believed a moderate deficit was indication that the Department was carrying out the Congressional mandate of service first.

> "I feel," said Senator Hartke of Indiana in an address to the Association of Third Class Mail Users, "that the so-called income gap--the difference between revenues and expenditures which the Post Office Department sustains each year--is an investment in the prosperity of the nation, in the social well-being of the populace, in the educational and cultural development of the people, and it pays enormous dividends in human happiness, human welfare, human security."

Finally, after full consideration of the factors responsible for the postal deficit, Congress introduced the concept of a public service allowance in the Postal Policy Act of 1958, differentiating between the deficit due to their own policies and that due to other conditions, as follows:

> "The postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy....The postal establishment performs many functions and offers its facilities to many users on a basis which can only be justified as being in the national welfare" (Postal Policy Act of 1958, Public Law 85-426, US Stats. at Large, 72,134.)

At the time, Postmaster General Summerfield, as well as many Congressmen, claimed that such an allowance was unfair, giving unequal treatment to mail users by making some pay for subsidies to others. In addition, they felt the allowance was dangerous, as it would lead to pressure for inclusion of more subsidies under its provisions. They were right. The $37 million covered on public service in 1960 increased to $143 million within three years and in 1970 amounted to $740 million, a primary concern leading to the Postal Reorganization

Act of 1970. Unfortunately, in the minds of the public and often in Congress, the real reason for the deficit as an outgrowth of service became lost and the Post Office has continued to be viewed as unbusinesslike and inefficient.

Recapitulation: Prior to 1863 there was no second "class" of mail as we know it today. Separate rates of postage existed for newspapers and magazines, and when additional printed matter was admitted to the mails it was charged the same rate as magazines.

With the establishment of three classes of mail in 1863, newspapers and magazines came under second-class rates, and other printed matter under third class.

Magazine postage was at first computed on the basis of "sheet."1/ In 1845 and 1851 this sheet basis was changed to a weight or copy basis. Early newspapers usually consisted of one or two sheets and the rate was on a simple per copy basis. As newspapers became larger and more varied in dimension, size and weight became factors in computing postage. Distance was also a rate factor in the early years, but in 1852 was largely eliminated. The Act of 1852 also permitted magazines to move at newspaper rates for the first time--a forerunner of the combined (second) class for periodicals established in 1863. The flat rate (per pound or per copy

1/ Every 4 folio pages, or 8 quarto pages, or 16 octavo pages of a magazine or pamphlet was considered a sheet as defined in 1816.

regardless of distance) principle was continued in effect until zone rates for the advertising portions were established in 1918.

Collection of postage on newspapers and periodicals presented considerable difficulty during the early period. Prior to 1875, publishers were not required to prepay postage. As in colonial days, those who received newspapers had to pay one-quarter year's postage in advance. This policy prevailed, with some variations, until 1875, when prepayment of postage by the mailer was required.

One of the most important changes in the second-class rate structure was the introduction of a distance factor in levying separate charges on the advertising portions of second-class matter. This change took place in 1918, the parcel post zones being used as the basis of a graduated schedule of rates. The rates for the editorial portions of publications have remained relatively stable, despite many changes that had taken place in both postal and publishing operations. The rates of postage for within-county mailings were not altered after 1885, with the exception of a 1/8-cent minimum rate per copy (excluding free-in-country mailings) which became effective in 1951. Eligibility for the second-class privilege was, however, redefined on several occasions in order to reduce administrative difficulties and help eliminate abuses of a subsidized service.

Transient second-class matter (mailings of second-class publications by other than the publisher or news agent) was charged higher rates of postage than regular second-class mailings, and for a period of time was considered as third-class matter.

After 1918, the question of what mail is entitled to preferential second-class rates and how preferential the rates should be was accentuated by the granting of special rate concessions to publications issued by certain non-profit organizations.

In the Postal Policy Act of 1958, Congress established a public service allowance for the many functions and uses of postal facilities "in the national welfare," and the inordinate rise of costs for this category was one of the factors leading to the Postal Reorganization Act of 1970.